

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council

22 December 1981

MEMORANDUM FOR: Director of Central Intelligence

Deputy Director of Central Intelligence

THROUGH : National Intelligence Officer for Warning

FROM : David D. Gries W

National Intelligence Officer for East Asia

SUBJECT : East Asia Warning Assessment

The following items were discussed by the Community representatives at the 16 December warning meeting.

Kampuchea Settlement: Possible Shift in Vietnam's Position -- There was a review of hints that the SRV might allow the Phnom Penh regime to be broadened to include Son Sann, Sihanouk and their followers while still ruling out the DK. ASEAN interest in such a scheme seems to be limited to Indonesia and Malaysia, with Indian, and perhaps Soviet support. France may be pursuing a similar endeavor. These peace overtures from Hanoi could also be designed to sow dissention among the ASEAN countries and between ASEAN and China. The Vietnamese have yet to put forward this loose coalition proposal in any public form. Hanoi may see advantage in manifesting flexibility in its negotiating position if elements of ASEAN show willingness to meet the Vietnamese half way.

| DPRK Military Activity The heightener Korea began earlier than the comparable effort concentrated in different areas. No major No. | t last year and has be | een | _ |
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| movements have moved into forward areas. | 1 | Thoma | _ 1 25 25 |
| is scattered evidence of nationwide mobilizat | ion of North Korean re | There eserves; | 25 |
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incidents along the DMZ do not provide compelling evidence of a harder North Korean line. Based on long standing DOD IAW indicators, there is a significant alteration in North Korea's readiness posture in that Pyongyang has apparently fully tested its war fighting and war readiness capability. This is not to be taken as a North Korean propensity to initiate hostilities since many questions remain, e.g., stockpiling and disposition of forces along the DMZ, as well as political factors such as Chinese and Soviet willingness to play a role in any DPRK initiated hostilities and Pyongyang's appreciation of US resoluteness.

| Review DPRK Indicators When the North Korean forces return to their previous state of readiness the Intelligence Community will review information received since this exercise began and other significant indicators with a view to improving our analytical framework for evaluating future events of this nature. | 1 |
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